
CAPITARETAIL CHINA TRUST
2013 SECOND QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT

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Summary of CRCT Results

	2Q 2013	2Q 2012		1H 2013	1H 2012	
	Actual S\$'000	Actual S\$'000	Change %	Actual S\$'000	Actual S\$'000	Change %
Gross Revenue	40,000	38,123	4.9	79,330	76,033	4.3
Net Property Income	26,413	24,924	6.0	52,281	50,334	3.9
Income available for distribution	17,902	16,649	7.5	35,242	33,286	5.9
Distribution Per Unit ("DPU") (cents)						
For the period	2.38	2.41	(1.2)	4.69	4.82	(2.7)
Annualised	9.55	9.69	(1.4)	9.46	9.69	(2.4)

	2Q 2013	2Q 2012		1H 2013	1H 2012	
	Actual RMB'000	Actual RMB'000	Change %	Actual RMB'000	Actual RMB'000	Change %
Gross Revenue	200,036	190,247	5.1	400,697	378,479	5.9
Net Property Income	132,096	124,389	6.2	264,074	250,556	5.4

DISTRIBUTION & BOOK CLOSURE DATE

Distribution	For 1 January 2013 to 30 June 2013
Distribution type	Tax exempt income/Capital distribution
Distribution rate	4.69 cents per unit
Book closure date	12 August 2013
Payment date	25 September 2013

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INTRODUCTION

CapitaRetail China Trust (“CRCT”) was constituted as a private trust on 23 October 2006 under a trust deed entered into between CapitaRetail China Trust Management Limited (as manager of CRCT) (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (as trustee of CRCT) (the “Trustee”), and listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 8 December 2006.

CRCT is a Singapore-based real estate investment trust (“REIT”) constituted with the investment objective of investing on a long term basis in real estate used primarily for retail purposes and located primarily in China, Hong Kong and Macau.

As at 30 June 2013, CRCT owns and invests in a portfolio of nine shopping malls located in six of China’s cities. The properties are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Shuangjing and CapitaMall Anzhen in Beijing; CapitaMall Qibao in Shanghai; CapitaMall Erqi in Zhengzhou; CapitaMall Saihan in Huhhot; CapitaMall Minzhongleyuan in Wuhan; and CapitaMall Wuhu in Wuhu which CRCT has a 51% interest in.

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1(a)(i) **Statement of total return for the Group (2Q 2013 vs 2Q 2012)**

	Group		
	2Q 2013 S\$'000	2Q 2012 S\$'000	% Change
Gross rental income	37,075	35,308	5.0
Other income ¹	2,925	2,815	3.9
Gross revenue	40,000	38,123	4.9
Land rental	(1,405)	(1,351)	4.0
Property related tax	(2,233)	(2,262)	(1.3)
Business tax	(2,248)	(2,296)	(2.1)
Property management fees ²	(2,016)	(1,603)	25.8
Other property operating expenses ³	(5,685)	(5,687)	N.M.
Total property operating expenses	(13,587)	(13,199)	2.9
Net property income	26,413	24,924	6.0
Manager's management fees – Base fee	(1,067)	(983)	8.5
Manager's management fees – Performance fee	(1,056)	(997)	5.9
Trustee's fees	(76)	(80)	(5.0)
Valuation fees	(50)	(69)	(27.5)
Other trust operating expenses	(347)	(352)	(1.4)
Finance income	191	148	29.1
Foreign exchange gain – realised	355	93	281.7
Finance costs	(2,722)	(2,956)	(7.9)
Total return before change in fair value of investment properties and unrealised foreign exchange gain	21,641	19,728	9.7
Change in fair value of derivative instruments	1,423	-	N.M.
Change in fair value of investment properties	63,646	38,227	66.5
Foreign exchange gain – unrealised	97	2	N.M.
Total return before taxation	86,807	57,957	49.8
Taxation ⁴	(20,180)	(13,869)	45.5
Total return for the period after taxation	66,627	44,088	51.1
Attributable to:			
Unitholders	66,211	43,782	51.2
Non-controlling interest	416	306	35.9
Total return for the period after taxation	66,627	44,088	51.1

Footnotes:

1. *Other income comprises mainly income earned from atrium space, trolley carts and advertisement panels.*
2. *Included reimbursement of costs to property manager for centralised services provided.*
3. *Included as part of the other property operating expenses were items in the table below.*
4. *Included prior years taxation adjustments.*

	Group		
	2Q 2013 S\$'000	2Q 2012 S\$'000	% Change
Depreciation and amortization ³	(524)	(427)	22.7
Doubtful trade receivables recovered ³	1	4	(75.0)
Impairment losses on trade receivables ³	-	(1)	N.M.
Plant and equipment written off ³	(49)	(13)	276.9
Underprovision of tax in prior years ⁴	(284)	(306)	(7.2)

N.M. – not meaningful

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1(a)(i) **Statement of total return for the Group (1H 2013 vs 1H 2012)**

	Group		
	1H 2013 S\$'000	1H 2012 S\$'000	% Change
Gross rental income	73,896	70,644	4.6
Other income ¹	5,434	5,389	0.8
Gross revenue	79,330	76,033	4.3
Land rental	(2,785)	(2,708)	2.8
Property related tax	(4,452)	(4,527)	(1.7)
Business tax	(4,464)	(4,420)	1.0
Property management fees ²	(3,993)	(3,179)	25.6
Other property operating expenses ³	(11,355)	(10,865)	4.5
Total property operating expenses	(27,049)	(25,699)	5.3
Net property income	52,281	50,334	3.9
Manager's management fees – Base fee	(2,042)	(1,896)	7.7
Manager's management fees – Performance fee	(2,091)	(2,013)	3.9
Trustee's fees	(146)	(146)	-
Valuation fees	(121)	(149)	(18.8)
Other trust operating expenses	(608)	(1,018)	(40.3)
Finance income	341	161	111.8
Foreign exchange gain – realised	457	96	376.0
Finance costs	(5,586)	(5,761)	(3.0)
Total return before change in fair value of investment properties and unrealised foreign exchange gain	42,485	39,608	7.3
Change in fair value of derivative instruments	1,423	-	N.M.
Change in fair value of investment properties	63,646	38,227	66.5
Foreign exchange gain – unrealised	100	47	112.8
Total return before taxation	107,654	77,882	38.2
Taxation ⁴	(25,417)	(19,053)	33.4
Total return for the period after taxation	82,237	58,829	39.8
Attributable to:			
Unitholders	81,478	58,272	39.8
Non-controlling interest	759	557	36.3
Total return for the period after taxation	82,237	58,829	39.8

Footnotes:

1. Other income comprises mainly income earned from atrium space, trolley carts and advertisement panels.
2. Included reimbursement of costs to property manager for centralised services provided.
3. Included as part of the other property operating expenses are items in the table below.
4. Included prior years taxation adjustments.

	Group		
	1H 2013 S\$'000	1H 2012 S\$'000	% Change
Depreciation and amortisation ³	(1,010)	(826)	22.3
Doubtful trade receivables recovered ³	74	4	N.M.
Impairment losses on trade receivables ³	(1)	(1)	-
Plant and equipment written off ³	(58)	(22)	163.6
Underprovision of tax in prior years ⁴	(289)	(306)	(5.6)

N.M. – not meaningful

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1(a)(ii) **Distribution statement for the Group (2Q 2013 vs 2Q 2012)**

	Group		
	2Q 2013 S\$'000	2Q 2012 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	66,211	43,782	51.2
Distribution adjustments (Note A)	(48,309)	(27,133)	78.0
Income available for distribution to Unitholders	17,902	16,649	7.5
Comprises :			
- from operations	2,413	3,331	(27.6)
- from Unitholders' contribution	15,489	13,318	16.3
	17,902	16,649	7.5
Note A			
Distribution adjustments			
- Manager's management fees (performance component payable in units)	1,056	997	5.9
- Change in fair value of derivative instruments	(1,423)	-	N.M.
- Change in fair value of investment properties	(63,646)	(38,227)	66.5
- Deferred taxation	15,879	10,190	55.8
- Transfer to general reserve	(730)	(531)	37.5
- Unrealised foreign exchange gain	(18)	(2)	N.M.
- Other adjustments	573	440	30.2
Net effect of distribution adjustments	(48,309)	(27,133)	78.0

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1(a)(ii) **Distribution statement for the Group (1H 2013 vs 1H 2012)**

	Group		
	1H 2013 S\$'000	1H 2012 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	81,478	58,272	39.8
Distribution adjustments (Note A)	(46,236)	(24,986)	85.0
Income available for distribution to Unitholders	35,242	33,286	5.9
Comprises :			
- from operations	4,732	7,275	(35.0)
- from Unitholders' contribution	30,510	26,011	17.3
	35,242	33,286	5.9
Note A			
Distribution adjustments			
- Manager's management fees (performance component payable in units)	2,091	2,013	3.9
- Change in fair value of derivative instruments	(1,423)	-	N.M.
- Change in fair value of investment properties	(63,646)	(38,227)	66.5
- Deferred taxation	17,207	11,565	48.8
- Transfer to general reserve	(1,513)	(1,138)	33.0
- Unrealised foreign exchange gain	(20)	(47)	(57.4)
- Other adjustments	1,068	848	25.9
Net effect of distribution adjustments	(46,236)	(24,986)	85.0

N.M. – not meaningful

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1(b)(i) Statement of financial position as at 30 Jun 2013 vs 31 Dec 2012

	Group			Trust		
	30 Jun 2013 S\$'000	31 Dec 2012 S\$'000	% Change	30 Jun 2013 S\$'000	31 Dec 2012 S\$'000	% Change
Assets						
Investment properties ¹	1,617,702	1,476,988	9.5	-	-	-
Plant and equipment	6,181	5,827	6.1	-	-	-
Interests in subsidiaries	-	-	-	880,466	873,139	0.8
Trade and other receivables	9,630	9,129	5.5	170	269	(36.8)
Financial derivatives ²	5,921	16,371	(63.8)	5,921	16,371	(63.8)
Cash and cash equivalents ³	98,228	140,476	(30.1)	7,738	65,613	(88.2)
Total assets	1,737,662	1,648,791	5.4	894,295	955,392	(6.4)
Less						
Liabilities						
Trade and other payables	27,990	34,253	(18.3)	4,891	5,465	(10.5)
Security deposits	28,926	27,413	5.5	-	-	-
Interest-bearing borrowings ⁴	409,704	465,362	(12.0)	387,573	443,018	(12.5)
Deferred tax liabilities ⁵	139,116	114,258	21.8	-	-	-
Financial derivatives ²	1,183	2,368	(50.0)	1,183	2,368	(50.0)
Provision for taxation	2,382	3,426	(30.5)	20	-	N.M.
Total liabilities	609,301	647,080	(5.8)	393,667	450,851	(12.7)
Net assets	1,128,361	1,001,711	12.6	500,628	504,541	(0.8)
Represented by:						
Unitholders' funds	1,102,747	978,742	12.7	500,628	504,541	(0.8)
Non-controlling interest	25,614	22,969	11.5	-	-	-
	1,128,361	1,001,711	12.6	500,628	504,541	(0.8)

Footnotes:

1. The increase in investment properties was mainly due to the increase in fair value of the investment properties and stronger RMB against SGD.

2. As at 30 June 2013, the financial derivative assets of \$5.9 million were mainly due to fair value change on the non-deliverable forwards ("NDF") to hedge the currency exposure on the \$100.0 million term loan and fair value change on interest rate swap ("IRS") to hedge the variable rate borrowings of \$50.0 million and \$50.5 million term loans.

As at 31 December 2012, the financial derivative assets of \$16.4 million were mainly due to fair value change on the NDF to hedge the currency exposure on the \$50.0 million, \$100.0 million, part of the \$88.0 million and \$100.5 million term loans.

As at 30 June 2013, the financial derivative liabilities of \$1.2 million were mainly due to fair value change on IRS to hedge the variable rate borrowings of \$100.0 million and part of the \$88.0 million term loans.

As at 31 December 2012, the financial derivative liabilities of \$2.4 million were mainly due to fair value change on IRS to hedge the variable rate borrowings of \$50.0 million, \$100.0 million, \$100.5 million and part of the \$88.0 million term loans.

3. The decrease in cash and cash equivalents as at 30 June 2013 was mainly due to repayment of interest-bearing borrowings and distribution payment to Unitholders at Trust level.

4. Interest-bearing borrowings comprised (i) unsecured term loan facilities of \$388.5 million drawn down by the Trust to partly finance the acquisition of the properties in CRCT and utilisation as working capital; and (ii) RMB unsecured term loan facility of RMB108.8 million (\$22.1 million) mainly to finance CapitaMall Anzhen.

5. The increase was mainly due to higher provision for deferred tax liabilities as a result of the increase in fair value of the investment properties.

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1(b)(ii) Aggregate amount of borrowings and debt securities

	Group		Trust	
	30 Jun 2013¹ S\$'000	31 Dec 2012 S\$'000	30 Jun 2013 S\$'000	31 Dec 2012 S\$'000
Unsecured borrowings				
- Amount repayable within one year	22,131	207,986	-	205,503
- Amount repayable after one year	388,503	257,861	388,503	238,000
	410,634	465,847	388,503	443,503
Less: Transaction costs in relation to the unsecured term loan facilities	(930)	(485)	(930)	(485)
	409,704	465,362	387,573	443,018

Footnote:

1. *The decrease in the Group's borrowings as at 30 June 2013 was mainly due to repayment of loans at Trust level.*

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1(c) **Statement of Cash Flow (2Q 2013 vs 2Q 2012)**

	Group	
	2Q 2013 S\$'000	2Q 2012 S\$'000
Operating activities		
Total return after taxation	66,627	44,088
Adjustments for:		
Finance income	(191)	(148)
Finance costs	2,722	2,956
Depreciation and amortisation	524	427
Taxation	20,180	13,869
Manager's management fees payable in units	1,056	997
Plant and equipment written off	49	13
Change in fair value of derivative instruments	(1,423)	-
Change in fair value of investment properties	(63,646)	(38,227)
Write-back on trade receivables, net	(1)	(3)
Operating income before working capital changes	25,897	23,972
Changes in working capital:		
Trade and other receivables	6,616	(1,295)
Trade and other payables	(6,656)	2,069
Cash generated from operating activities	25,857	24,746
Income tax paid	(4,740)	(4,047)
Net cash from operating activities	21,117	20,699
Investing activities		
Interest received	191	148
Capital expenditure on investment properties	(778)	(3,410)
Proceed from disposal of plant and equipment	-	3
Purchase of plant and equipment	(288)	(1,126)
Net cash used in investing activities	(875)	(4,385)
Financing activities		
Payment of financing expenses	(602)	(132)
Proceeds from bank loans	150,503	-
Repayment of bank loans	(151,805)	(8,302)
Settlement of derivative contracts	(2,824)	-
Interest paid	(3,073)	(3,087)
Net cash used in financing activities	(7,801)	(11,521)
Increase in cash and cash equivalents	12,441	4,793
Cash and cash equivalents at beginning of period	82,510	73,511
Effect on exchange rate changes on cash balances	3,277	1,541
Cash and cash equivalents at end of period	98,228	79,845

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1(c) **Statement of Cash Flow (1H 2013 vs 1H 2012)**

	Group	
	1H 2013 S\$'000	1H 2012 S\$'000
Operating activities		
Total return after taxation	82,237	58,829
Adjustments for:		
Finance income	(341)	(161)
Finance costs	5,586	5,761
Depreciation and amortisation	1,010	826
Taxation	25,417	19,053
Manager's management fees payable in units	2,091	2,013
Plant and equipment written off	58	22
Change in fair value of derivative instruments	(1,423)	-
Change in fair value of investment properties	(63,646)	(38,227)
Write-back on trade receivables, net	(73)	(3)
Operating income before working capital changes	50,916	48,113
Changes in working capital:		
Trade and other receivables	12,818	(8,069)
Trade and other payables	(20,148)	(1,124)
Cash generated from operating activities	43,586	38,920
Income tax paid	(10,516)	(6,515)
Net cash from operating activities	33,070	32,405
Investing activities		
Interest received	341	161
Net cash outflow on purchase of investment properties	(43)	(1,434)
Capital expenditure on investment properties	(2,011)	(5,604)
Proceed from disposal of plant and equipment	-	23
Purchase of plant and equipment	(1,176)	(1,665)
Net cash used in investing activities	(2,889)	(8,519)
Financing activities		
Distribution to Unitholders ¹	(11,234)	(30,446)
Payment of equity issue expenses	(55)	-
Payment of financing expenses	(602)	(332)
Proceeds from bank loans	150,503	80,000
Repayment of bank loans	(206,805)	(66,802)
Settlement of derivative contracts	(2,824)	8,642
Interest paid	(5,768)	(5,209)
Net cash used in financing activities	(76,785)	(14,147)
(Decrease)/increase in cash and cash equivalents	(46,604)	9,739
Cash and cash equivalents at beginning of period	140,476	70,115
Effect on exchange rate changes on cash balances	4,356	(9)
Cash and cash equivalents at end of period	98,228	79,845

Footnote:

1. Distribution for 1H 2013 is for the period from 2 November 2012 to 31 December 2012 which was paid in March 2013.
Distribution for 1H 2012 is for the period from 30 June 2011 to 31 December 2011 which was paid in March 2012.

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1(d)(i) **Statement of Movements in Unitholders' Funds (2Q 2013 vs 2Q 2012)**

	Group		Trust	
	2Q 2013 S\$'000	2Q 2012 S\$'000	2Q 2013 S\$'000	2Q 2012 S\$'000
Unitholders' funds as at beginning of period	997,519	875,024	496,585	471,420
Operations				
Change in Unitholders' funds resulting from operations before distribution	66,211	43,782	3,041	17,077
Transfer to general reserve	(730)	(531)	-	-
Net increase in net assets resulting from operations	65,481	43,251	3,041	17,077
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(54)	114	(54)	114
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	33,430	16,053	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	12,251	13,676	-	-
Exchange differences on hedges of net investment in foreign operations	(7,666)	999	-	-
Net gain recognised directly in Unitholders' funds	37,961	30,842	(54)	114
Movement in general reserve	730	531	-	-
Unitholders' transactions				
Creation of units paid/payable to manager				
- Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in units	1,056	997	1,056	997
Net increase in net assets resulting from Unitholders' transactions	1,056	997	1,056	997
Unitholders' funds as at end of period	1,102,747	950,645	500,628	489,608

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1(d)(i) **Statement of Movements in Unitholders' Funds (1H 2013 vs 1H 2012)**

	Group		Trust	
	1H 2013 S\$'000	1H 2012 S\$'000	1H 2013 S\$'000	1H 2012 S\$'000
Unitholders' funds as at beginning of period	978,742	913,839	504,541	508,760
Operations				
Change in Unitholders' funds resulting from operations before distribution	81,478	58,272	4,787	9,249
Transfer to general reserve	(1,513)	(1,138)	-	-
Net increase in net assets resulting from operations	79,965	57,134	4,787	9,249
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	443	32	443	32
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	45,813	1,345	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	19,369	(836)	-	-
Exchange differences on hedges of net investment in foreign operations	(13,955)	6,426	-	-
Net gain recognised directly in Unitholders' funds	51,670	6,967	443	32
Movement in general reserve	1,513	1,138	-	-
Unitholders' transactions				
Creation of units payable/paid to manager				
- Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in units	2,091	2,013	2,091	2,013
Distribution to Unitholders ¹	(11,234)	(30,446)	(11,234)	(30,446)
Net decrease in net assets resulting from Unitholders' transactions	(9,143)	(28,433)	(9,143)	(28,433)
Unitholders' funds at end of period	1,102,747	950,645	500,628	489,608

Footnote:

1. Distribution for 1H 2013 is for the period from 2 November 2012 to 31 December 2012 which was paid in March 2013. Distribution for 1H 2012 is for the period from 30 June 2011 to 31 December 2011 which was paid in March 2012.

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1(d)(ii) Details of any change in the issued and issuable units (2Q 2013 vs 2Q 2012)

	Trust	
	2Q 2013 Units	2Q 2012 Units
Balance as at beginning of period	749,504,576	689,632,698
New units issued:		
- As payment of manager's management fees ¹	601,471	824,734
Issued units as at end of period	750,106,047	690,457,432
New units to be issued:		
- As payment of manager's management fees ²	755,049	761,683
Total issued and issuable units as at end of period	750,861,096	691,219,115

Footnotes:

- These were the performance component of the manager's management fees for 1Q 2013 and 1Q 2012 which were issued in June 2013 and June 2012 respectively.*
- These were the performance component of the manager's management fees for 2Q 2013 (which will be issued in 3Q 2013) and 2Q 2012 which was issued in September 2012.*

1(d)(ii) Details of any change in the issued and issuable units (1H 2013 vs 1H 2012)

	Trust	
	1H 2013 Units	1H 2012 Units
Balance as at beginning of period	748,909,649	688,829,911
New units issued:		
- As payment of manager's management fees ¹	1,196,398	1,627,521
Issued units as at end of period	750,106,047	690,457,432
New units to be issued:		
- As payment of manager's management fees ²	755,049	761,683
Total issued and issuable units as at end of period	750,861,096	691,219,115

Footnotes:

- These were the performance component of the manager's management fees for 4Q 2012 and 1Q 2013 which were issued in March 2013 and June 2013 respectively. The manager's management fee for 4Q 2011 and 1Q 2012 were issued in March 2012 and June 2012 respectively.*
- These were the performance component of the manager's management fees for 2Q 2013 (which will be issued in 3Q 2013) and 2Q 2012 which was issued in September 2012.*

2 Whether the figures have been audited, or reviewed and in accordance with which standard (eg. the Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)

Not applicable.

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4 Whether the same accounting policies and methods of computation as in the issuer’s most recent audited annual financial statements have been complied

On 1 January 2013, the Group adopted the revised version of the Statement of Recommended Accounting Practice 7 (2012) issued by the Institute of Certified Public Accountants of Singapore which has no significant impact to the financial statements of the Group.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2012.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what had changed, as well as the reasons for, and the effect of, the change

Nil

6 Earnings per unit (“EPU”) and distribution per unit (“DPU”) for the financial period

In computing the EPU, the weighted average number of units as at the end of each period is used for the computation. The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the period.

In computing the DPU, the number of units as at as at the end of each period is used.

	Group	
	2Q 2013	2Q 2012
Weighted average number of units in issue	749,671,503	689,867,643
Earnings per unit (“EPU”)¹		
Based on weighted average number of units in issue	8.83¢	6.35¢
Based on fully diluted basis	8.83¢	6.35¢
Number of units in issue at end of period	750,106,047	690,457,432
Distribution per unit (“DPU”)		
Based on the number of units in issue at end of period	2.38¢	2.41¢

	Group	
	1H 2013	1H 2012
Weighted average number of units in issue	749,302,541	689,353,188
Earnings per unit (“EPU”)¹		
Based on weighted average number of units in issue	10.87¢	8.45¢
Based on fully diluted basis	10.87¢	8.45¢
Number of units in issue at end of period	750,106,047	690,457,432
Distribution per unit (“DPU”)		
Based on the number of units in issue at end of period	4.69¢	4.82¢

Footnote:

1. EPU is calculated based on total return after tax and non-controlling interest.

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7 Net asset value (“NAV”) backing per unit based on issued units at the end of the period

	Group		Trust	
	30 Jun 2013	31 Dec 2012	30 Jun 2013	31 Dec 2012
NAV per unit	\$1.47	\$1.31	\$0.67	\$0.67
Adjusted NAV per unit (excluding distributable income)	\$1.42	\$1.29	\$0.62	\$0.66

8 Review of the performance

8(i) Statement of total return for the Group

	Group				
	2Q 2013	2Q 2012	1Q 2013	1H 2013	1H 2012
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross revenue	40,000	38,123	39,330	79,330	76,033
Property operating expenses	(13,587)	(13,199)	(13,462)	(27,049)	(25,699)
Net property income	26,413	24,924	25,868	52,281	50,334
Manager's management fees – Base fee	(1,067)	(983)	(975)	(2,042)	(1,896)
Manager's management fees – Performance fee	(1,056)	(997)	(1,035)	(2,091)	(2,013)
Trustee's fees	(76)	(80)	(70)	(146)	(146)
Valuation fees	(50)	(69)	(71)	(121)	(149)
Other trust operating expenses	(347)	(352)	(261)	(608)	(1,018)
Finance income	191	148	150	341	161
Foreign exchange gain – realised	355	93	102	457	96
Finance costs	(2,722)	(2,956)	(2,864)	(5,586)	(5,761)
Total return before change in fair value of investment properties and unrealised foreign exchange gain	21,641	19,728	20,844	42,485	39,608
Change in fair value of derivative instruments	1,423	-	-	1,423	-
Change in fair value of investment properties	63,646	38,227	-	63,646	38,227
Foreign exchange gain – unrealised	97	2	3	100	47
Total return before taxation	86,807	57,957	20,847	107,654	77,882
Taxation	(20,180)	(13,869)	(5,237)	(25,417)	(19,053)
Total return for the period after taxation	66,627	44,088	15,610	82,237	58,829
Attributable to :					
Unitholders	66,211	43,782	15,267	81,478	58,272
Non-controlling interest	416	306	343	759	557
Total return for the period after taxation	66,627	44,088	15,610	82,237	58,829

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8 Review of the performance

8(i) Statement of total return for the Group

	Group				
	2Q 2013	2Q 2012	1Q 2013	1H 2013	1H 2012
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Distribution statement for the Group</u>					
Total return for the period attributable to Unitholders before distribution	66,211	43,782	15,267	81,478	58,272
Net effect of distribution adjustments	(48,309)	(27,133)	2,073	(46,236)	(24,986)
Income available for distribution to Unitholders	17,902	16,649	17,340	35,242	33,286
Distribution per unit (in cents)					
- For the period	2.38	2.41	2.31	4.69	4.82
- Annualised	9.55	9.69	9.37	9.46	9.69

8(ii) Breakdown of Gross Revenue – Actual

	2Q 2013 RMB'000	2Q 2012 RMB'000	% Change	2Q 2013 S\$'000	2Q 2012 S\$'000	% Change
CapitaMall Xizhimen	60,637	55,402	9.4	12,119	11,103	9.2
CapitaMall Wangjing	43,525	41,315	5.3	8,705	8,279	5.1
CapitaMall Anzhen	20,103	19,904	1.0	4,020	3,988	0.8
CapitaMall Erqi	12,479	12,356	1.0	2,496	2,476	0.8
CapitaMall Shuangjing	10,947	10,611	3.2	2,189	2,126	3.0
CapitaMall Minzhongleyuan	10,069	12,330	(18.3)	2,017	2,471	(18.4)
CapitaMall Qibao	21,540	20,082	7.3	4,308	4,024	7.1
CapitaMall Saihan	12,133	10,126	19.8	2,425	2,029	19.5
CapitaMall Wuhu	8,603	8,121	5.9	1,721	1,627	5.8
Gross revenue	200,036	190,247	5.1	40,000	38,123	4.9

8(iii) Breakdown of Net Property Income – Actual

	2Q 2013 RMB'000	2Q 2012 RMB'000	% Change	2Q 2013 S\$'000	2Q 2012 S\$'000	% Change
CapitaMall Xizhimen	43,110	38,010	13.4	8,613	7,617	13.1
CapitaMall Wangjing	31,196	29,934	4.2	6,241	5,998	4.1
CapitaMall Anzhen	16,463	16,301	1.0	3,292	3,266	0.8
CapitaMall Erqi	9,860	8,384	17.6	1,973	1,679	17.5
CapitaMall Shuangjing	8,802	8,410	4.7	1,759	1,685	4.4
CapitaMall Minzhongleyuan	2,603	6,144	(57.6)	524	1,231	(57.4)
CapitaMall Qibao	9,453	8,121	16.4	1,892	1,627	16.3
CapitaMall Saihan	6,969	5,151	35.3	1,391	1,033	34.7
CapitaMall Wuhu	3,640	3,934	(7.5)	728	788	(7.6)
Net property income	132,096	124,389	6.2	26,413	24,924	6.0

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2Q 2013 vs 2Q 2012

In RMB terms, gross revenue increased by RMB9.8 million, or 5.1% over 2Q 2012. This was mainly due to higher revenue growth at CapitaMall Xizhimen as a result of higher rental reversion and better tenant sales and revenue growth at the other multi-tenanted malls, offset by lower revenue at CapitaMall Minzhongleyuan as a result of asset enhancement works currently being carried out at the mall. In SGD terms, gross revenue increased by \$1.9 million, or 4.9% compared to 2Q 2012.

Property expenses for 2Q 2013 increased by \$0.4 million, or 2.9% over 2Q 2012. This was mainly due to provision for compensation to tenants at CapitaMall Minzhongleyuan to facilitate the asset enhancement works and higher property management fees. These were partially offset by lower operating expenses at CapitaMall Erqi in 2Q 2013 as a result of a lease registration fees and city level taxation imposed by the Zhengzhou city government for the period from 2010 to 1H 2012 in 2Q 2012.

Management fees payable to the manager were 7.2% higher than 2Q 2012. This was due to higher net property income and deposited properties.

Finance income earned in 2Q 2013 was 29.1% higher than 2Q 2012 mainly due to higher fixed deposit balances placed with financial institutions.

Finance costs in 2Q 2013 decreased by \$0.2 million, or 7.9% over 2Q 2012. This was mainly due to the repayment of short-term loan facilities in 1Q 2013.

Taxation in 2Q 2013 increased by \$6.3 million, or 45.5% over 2Q 2012. This was mainly due to higher deferred tax liabilities recognised in 2Q 2013 compared to 2Q 2012 as a result of a higher increase in fair value of investment properties.

2Q 2013 vs 1Q 2013

Gross revenue for 2Q 2013 increased by \$0.7 million, or 1.7% over 1Q 2013 mainly due to a stronger RMB against SGD.

Property expenses for 2Q 2013 increased by \$0.1 million, or 0.9% over 1Q 2013 mainly due to a stronger RMB against SGD.

Management fees payable to the manager were 5.6% higher than 1Q 2013 mainly due to higher net property income and deposited properties.

Finance income earned in 2Q 2013 was 27.3% higher than 1Q 2013 mainly due to higher fixed deposit balances placed with financial institutions.

Finance costs in 2Q 2013 decreased by \$0.1 million, or 5.0% over 1Q 2013. This was mainly due to the repayment of short-term loan facilities in 1Q 2013.

Taxation in 2Q 2013 increased by \$14.9 million over 1Q 2013. This was mainly due to deferred tax liabilities recognised in 2Q 2013 as a result of the increase in fair value of investment properties.

1H 2013 vs 1H 2012

In RMB terms, gross revenue for 1H 2013 increased by RMB22.2 million, or 5.9% over 1H 2012. This was mainly due to higher revenue growth at CapitaMall Xizhimen as a result of higher rental reversion and better tenant sales and revenue growth at the other multi-tenanted malls, offset by lower revenue at CapitaMall Minzhongleyuan as a result of asset enhancement works currently being carried out at the mall. In SGD terms, gross revenue increased by \$3.3 million, or 4.3% compared to 1H 2012 mainly due to a stronger SGD against RMB.

Property expenses for 1H 2013 increased by \$1.4 million, or 5.3% over 1H 2012. This was mainly due to provision for compensation to tenants as part of the tenancies adjustment at CapitaMall Xizhimen, pre-termination compensation to tenants at CapitaMall Minzhongleyuan to facilitate the asset enhancement works as well as higher property management fees and staff related costs incurred in 1H 2013.

Management fees payable to the manager were 5.7% higher than 1H 2012 mainly due to higher net property income and deposited properties.

Finance income earned in 1H 2013 increased by \$0.2 million over 1H 2012 mainly due to higher fixed deposit balances placed with financial institutions.

Finance cost in 1H 2013 decreased by \$0.2 million, or 3.0% over 1H 2012. This was mainly due to the repayment of short-term loan facilities in 1Q 2013.

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Taxation in 1H 2013 increased by \$6.4 million, or 33.4% over 1H 2012. This was mainly due to higher deferred tax liabilities recognised in 1H 2013 compared to 1H 2012 as a result of a higher increase in fair value of investment properties.

9 Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

CRCT has not disclosed any forecast to the market.

10 Commentary on the competitive conditions of the industry in which the Trust and its investees operates and any known factors or events that may affect the Trust and its investees in the next reporting period and the next 12 months

China's economy grew 7.6% year-on-year in the first half of 2013 and CPI grew 2.4% year-on-year. The total retail sales of consumer goods increased 12.7% year-on-year to reach RMB11.08 trillion in the first half of 2013. (Source: National Bureau of Statistics of China)

Notwithstanding the changing global conditions and increasingly volatile external market, Premier Li has reiterated their commitment to focus on the economic growth quality and social stability. The government is committed to boost domestic employment, improves on the public services, invests in urban infrastructure projects in an effort to stimulate consumption. Prudent economic and monetary policies will be implemented and efforts to support economic reforms will be stepped up.

Underpinned by China's commitment to deliver sustainable long-term growth, stimulate domestic consumption, and accelerated urbanization, CRCT remains positive on the prospects of China's retail market. CRCT will continue to look for suitable opportunities to extend our China footprint and to leverage on our strengths to entrench our presence in key cities.

Beijing Retail Market Update

Retail sales from January 2013 to May 2013 increased by 9.1% year-on-year to RMB329.5 billion. (Source: Beijing Municipal Bureau of Statistics). In the first quarter of 2013, two mid-end retail projects were opened, We-Life Plaza and Dream Port Living Mall Phase 2, bringing the total retail stock to 8.84 million sq m.

Nine mid-to-high end retail projects are expected to enter the market for the rest of 2013, adding 594,700 sq m of new supply to the market. Despite the announcement of slowdown of growth plans by several luxury brands, food & beverages, lifestyle, entertainment and children's retailers sectors are expected to maintain their steady pace of expansion. (Source: Savills)

Shanghai Retail Market Update

Shanghai's retail market continued to record healthy performance in the first quarter of 2013. Two new shopping malls, K11 Art Mall and L'Avenue, were launched in 1Q 2013, adding a total of 100,000 sq m of supply to the market. Shopping mall recorded robust sales growth of 24.0% year-on-year. This was mainly contributed by the decentralised malls which were focused on food & beverages and lifestyle shopping needs.

Most new supply this year will be concentrated in the Nanjing West Road, Huaihai Middle Road and Hongqiao areas. The additional retail space is expected to ease the demand exceeds supply situation in core areas. (Source: Knight Frank)

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11 Distribution

11(a) Current Financial Period

Any distribution declared for the current financial period? Yes.

Name of distribution : Distribution for 1 January 2013 to 30 June 2013

Distribution type : Tax exempt income/Capital distribution

Distribution rate : 4.69 cents per unit

Par value of units : Not meaningful

Tax rate : Tax exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders. No tax will be deducted from such distribution.

Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For Unitholders who are liable to Singapore income tax on profits from sale of

CRCT units, the amount of capital distribution will be applied to reduce the cost base of their CRCT units for Singapore income tax purposes.

Remark : The tax exempt income/capital distribution from 1 January 2013 to 30 June 2013 is expected to be funded from borrowing at the Trust level as well as internal cash flow from operations.

11(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes

Name of distribution : Distribution for 1 January 2012 to 30 June 2012

Distribution type : Capital distribution

Distribution rate : 4.82 cents per unit

Par value of units : Not meaningful

11(c) Date payable : 25 September 2013

11(d) Book closure date : 12 August 2013

12 If no distribution has been declared/recommended, a statement to that effect

Not applicable.

13 If the Group has obtained a general mandate from Unitholders for IPT, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from Unitholders for Interested Person Transactions ("IPT").

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14 Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial results of the Group and Trust (comprising the statement of financial position as at 30 June 2013, statement of total return and distribution statement, statement of cash flow and statement of movements in Unitholders' funds for the quarter ended on that date), together with their accompanying notes, to be false or misleading, in any material respect.

On behalf of the Board of the Manager

Mr Ng Kok Siong
Director

Mr Tan Tee Hieong
Chief Executive Officer / Director

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

BY ORDER OF THE BOARD
CAPITARETAIL CHINA TRUST MANAGEMENT LIMITED
(Company registration no. 200611176D)
(as Manager of CapitaRetail China Trust)

Choo Wei-Pin
Company Secretary
18 July 2013